

Report to	Corporate Governance Committee
Date of meeting	28th April 2021
Lead Member / Officer	Julian Thompson Hill Deputy Leader and Lead Member for Finance, Performance and Strategic Assets
Report author	Lisa Jones Deputy Monitoring Officer/ Legal Services Manager Tania Silva, Framework Manager.
Title	Procuring Well-being in Wales - A Review into how the Well-being of Future Generations Act is informing procurement in Wales.

1. What is the report about?

To provide the Committee with the external report by the Future Generations Commissioner's Office in respect of their review into procuring Well-being in Wales.

2. What is the reason for making this report?

2.1. All external governance reports are provided to Corporate Governance Committee in accordance with the Committee's Terms of Reference.

2.2. This report also provides information on what Denbighshire County Council is currently doing to meet the recommendations on the Procuring Well-being in Wales report and highlight the areas where we need to incorporate changes in order to meet the report's recommendations.

3. What are the Recommendations?

That the Committee considers the detail within the report and the actions being taken, and to be taken, in order to address the recommendations. The Well-Being of Future Generations Act 2015 (the Act) places a duty under s.22 to take all reasonable steps to follow a course of action set out in a s.20 recommendation, and to publish a response.

4. Report details

4.1 The Commissioners' report is attached at Appendix 1. On the whole this is a positive report for the Council, albeit there is always room to continually improve, see section 3.3 and in particular pages 28 and 32.

4.2 The Joint Collaborative Procurement service with Flintshire County Council has been in place since July 2014 and the report recognises there are differences between the Authorities and sometimes challenges in acting in step with another Authority through joint working and purchasing together. Great strides have been taken over the last 6 months by the Joint Procurement Service to facilitate and improve our collaborative approach and to support joint working across the two Council's services. The procurement team is to embark on a self assessment exercise in respect of its own collaborative skill set and where the gaps may be, but it is important to note that the procurement service is a support service and that it is services that have the opportunity to collaborate and procure to support well being. The intention is to utilise the Institute for Collaborative Working toolkit and self assessment approach. This will be piloted with the team and the learning will be fed back to the Joint Procurement Board to consider how best to utilise this insight across both Authorities.

4.3 Members will note that the inception and progress of the Community Benefits Hub in supporting the Act's intentions.

- 4.4 The report identifies matters that the Welsh Government need to address further, as the guiding hand in ensuring every public sector organisation is delivering Well-Being within their procurement activities – see section 3.2 page 12 summary.
- 4.5 The Act has provided the legislative permission, and duty, to include within procurement activity and contract lifecycles considerations and expectations in respect of current and future well-being. The Act is a unique piece of legislation and provides public bodies with an opportunity to transform the way procurement is planned and delivered in Wales.
- 4.6 Denbighshire County Council elected to take part on the Section 20 Review in order to gain detail of how efforts to embed the Act into their procurement decisions are helping the Council and other public bodies to meet, or take steps to meet, their well-being objectives and to further understand how public bodies' procurement decisions and related actions impact the long-term. Procurement is one of the seven corporate areas for change in the Act's statutory guidance and is a key area of focus for public bodies in meeting their obligations under the Act.
- 4.7 The review acknowledges that nationally procurement processes have improved considerably over the last decade, however the following areas still need to be addressed:
- There is still too much focus on process and not outcomes.
 - Increasing a focus on procuring well-being with a greater focus on outcomes and measuring what matters.
 - Acknowledges that a key barrier to sustainable procurement has been that it can cost more at least in the short-term, especially when whole-life costing may not be considered.
- 4.8 In respect of processes and outcomes, to a great extent the Council's hands are currently tied in that it must procure in accordance with the Public Sector Procurement Regulations 2015; legislation that has emanated from the EU Procurement Directives. A significant and historic opportunity as a result of leaving the European Union now exists, as new procurement regulations are being consulted upon. Central and Devolved Government now have the opportunity to design regulations that deliver better for our communities and businesses.
- 4.9 Any procurement exercise over 25k commences with a Commissioning Form, which directs the Officer to consider and record their considerations and intent in respect of a wide number of areas. This is an important part of the process to encourage and support services to think beyond the immediate purchase need. A copy of the Commissioning Form is attached as Appendix 2 for information.
- 4.10 The actions being taken, or to be taken, to address the issues raised by the Commissioner are set out at Appendix 3. This will be updated following consultation on a revised procurement strategy.

5. How does the decision contribute to the Corporate Priorities?

The Council has set its corporate priorities in order to meet the Act's duties; the Council has declared a climate emergency and procurement has an important role to play in supporting this policy and wider corporate priorities.

6. What will it cost and how will it affect other services?

It is not possible to quantify the cost of procuring to ensure the well being of future generations in a single report as each procurement activity has individual circumstances. It is possible some activity which supports well being may cost more in financial terms than eg the cheapest option; it will be up to services to consider the added value that could be achieved over and above a single purchasing need. In some situations an increase in cost for the actual procuring service, could result in far greater well being benefits for another service. The procurement strategy is being developed further in this regard, so that where possible any tension can be fully considered and a one council approach is followed.

7. What are the main conclusions of the Well-being Impact Assessment?

A Well-being Impact Assessment is not required for this report.

8. What consultations have been carried out with Scrutiny and others?

The Collaborative Procurement Board consisting of lead members and both Monitoring Officers were sighted on the draft report before publication.

In meeting the recommendations going forwards key stakeholders will be consulted.

9. Chief Finance Officer Statement

It is likely that the ongoing impact of ensuring our procurement progresses the aim of the Future Generations legislation will increase costs. This may for some projects involve reducing the scale of projects, in others we may need to accept that additional funds need to be found. Each spending decision will continue to be required to be assessed individually and take account of the wider budgetary constraints.

10. What risks are there and is there anything we can do to reduce them?

The risks in not taking on board the report recommendations' are that the Commissioner may intervene, and moreover the Council not meeting it's duties to put future generations at the heart of its activities.

11. Power to make the decision

s.22 Wellbeing of Future Generations Act (Wales) 2015.